

ORIGINAL

MEMORANDUM



TO: Docket Control Center

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FROM: Steven M. Olea
Director
Utilities Division

2012 AUG 14 A 10:38

Arizona Corporation Commission

DOCKETED

AUG 14 2012

DATE: August 14, 2012

AZ CORP COMMISSION
DOCKET CONTROL



RE: ORANGE GROVE WATER COMPANY, INC. - REQUEST FOR EXTENSION OF
COMPLIANCE DEADLINE (DOCKET NO. W-02237A-11-0084 AND W-02237A-11-
0180)

In Decision No. 72734, dated January 6, 2012, the Arizona Corporation Commission ("Commission") approved the application of Orange Grove Water Company, Inc. ("Orange Grove" or "Company") for approval of financing and for a rate increase. Decision No. 72734 set the following requirement for the Company:

"... that the requirements of Decision No. 71110 relating to installation of new storage capacity are hereby waived, conditioned upon Orange Grove Water Company, Inc. filing documentation with Docket Control within 120 days as a compliance item in this matter, demonstrating that the on-site emergency generator and associated improvements discussed herein have been completed."

Based on the January 6, 2012 date of Decision No. 72737 and the 120 day compliance requirement, the due date for the compliance filing on the emergency generator and associated improvements was on or about May 5, 2012.

On May 7, 2012, Orange Grove docketed a motion seeking a 120 day extension of time on the above compliance requirement until September 2, 2012. The Company had a pending loan from the Water Infrastructure Finance Authority ("WIFA") which is a prerequisite to the completion of the project. The application states that the loan was pending until recently:

"The Company's loan resolution and due diligence summary was considered and approved by the WIFA Board of Directors on April 18, 2012. The Company received the draft loan documents on April 27, 2012. The loan is tentatively scheduled to close on May 25, 2012"

On August 1, 2012, Staff contacted the Company to discuss the request for extension of time. The Company representative stated that although the Company originally sought a 120 day extension, the Company needs more time than was proposed in the application for extension. According to the Company, the closing date on the WIFA loan was moved back a month and the Company now seeks 60 more days or an 180 day extension of time to complete the filing. Ultimately, the project must be completed before the Commission filing can be made.

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Based on all of the above, Staff does not object to the Company's proposed 180 day extension of time for the provision of the compliance filing demonstrating that the on-site emergency generator and associated improvements have been completed. Staff therefore recommends that the due date for the required filing be extended until November 1, 2012.

SMO:BKB:lhbm

Originator: Brian K. Bozzo

SERVICE LIST FOR:
DOCKET NO.

ORANGE GROVE WATER COMPANY, INC.
W-02237A-11-0084 AND W-02237A-11-0180

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